

Montana Teachers' Retirement System



Agency Profile

The Montana Teachers' Retirement System serves active and retired teachers and educators in the State of Montana. Its primary purpose is to administer their pension plan, which includes (but is not limited to) payment of retirement benefits, collection of member contributions and enrollment of new members.

TRS was established by state law in 1937. The system has grown from its initial enrollment of 3,367 members to more than 19,000 active members, and now has assets in excess of \$3.9 billion. Approximately 15,500 members and beneficiaries receive retirement, disability, survivor, or minor child benefits in excess of \$320 million each year.

TRS is a *Defined Benefit Plan* qualified under Internal Revenue Code (IRC) 401(a). Membership in the TRS is compulsory for all K-12 public educators, except for persons teaching fewer than thirty days in each fiscal year.

An actuarial valuation of the retirement system is performed annually, as of July 1st of each year. The purpose of the valuation is to determine the financial position of the fund, the normal cost, and the unfunded actuarial accrued liability based upon present and prospective assets and liabilities of the system.

Mission Statement

To promote long-term financial security for our membership while maintaining the stability of the fund.

Guiding Principles:

To earn the respect and trust of our members, we adhere to the following values:

- High ethical standards
- Honesty, integrity, and impartiality
- Dignity, respect and mutual support
- Service excellence

Teachers' Retirement Board:

- TRS is Governed by a six-member Board appointed by the Governor
- Four members are appointed from the teaching profession
 - One must be an active classroom teacher
 - One a retired member
- Two members are appointed as representatives of the public
- The Board is responsible for the administration of the system and hires a staff of 20 to carry out these duties on a daily basis. The Board Of Investments (BOI) is responsible for investing the assets of the Teachers' Retirement System

<u>Board Members</u>	<u>Term Expires</u>	<u>Contact Info</u>
Kari Peiffer - Active Classroom Teacher Kalispell, MT	July 1, 2017	kpeiffer@mt.gov
Scott Dubbs - Active Member Lewistown, MT	July 1, 2018	sdubbs@mt.gov
Daniel Trost - Public Member Helena, MT	July 1, 2019	dtrost@mt.gov
Daniel Chamberlin - Public Member Whitefish, MT	July 1, 2020	DChamberlin@mt.gov
Janice Muller- Active Member Hamilton, MT	July 1, 2021	jmuller@mt.gov
Jeff Greenfield - Retired Teacher Shepherd, MT (Also a member of BOI)	July 1, 2021	Jeff.Greenfield@mt.gov

Key Legislation from the 2017 Legislative Session

House Bill 67, TRS's "housekeeping bill," clarified several sections of existing TRS law. This bill:

Defines "extra duty service" and provides a statutory framework for calculating the amount of service credit earned by TRS members who perform extra duty service as part of their jobs.

Clarifies that TRS members may purchase service credit for "in-service leave," such as for periods of maternity leave and other job-protected leave.

Simplifies the process by which TRS employers report fringe benefits converted to cash.

Clarifies that if a disabled TRS retiree returns to work in a TRS-reportable position, the discontinuation of retirement benefits is based on actual earnings, not on full-time employment status.

House Bill 68 was introduced at the request of the TRS board to clarify the retirement plan participation options available to certain individuals hired by the Montana University System (MUS) or the Office of the Commissioner of Higher Education (OCHE). House Bill 68 clarified that employees' retirement plan options are based on the duties and functions of the positions into which they are hired. For example, if the employee's position is reportable to PERS, that individual may not elect to remain an active member of TRS.

Senate Bill 115 amended 20-4-134, MCA, a law that provides state funding for professional stipends for national board-certified teachers. The bill increased the amount and frequency of these stipends and also specified that the stipends do not constitute earned compensation, as long as they are paid pursuant to the provisions of the law.

Senate Bill 121 established a definition for a "bona fide volunteer position" and removed obstacles that otherwise may have prevented a TRS retiree from providing service in such a position. The employer must comply with certain restrictions; for example, the volunteer role must not have been a paid position in the previous 12 months and may not become a paid position in the 12 months following its designation as a bona fide volunteer position. TRS will require employers to certify that a volunteer position meets the legal definition.

Key Activities for the Interim:

- Conduct actuarial experience study (Spring 2018)
- M-Trust Enhancements (scheduled to be complete - October 2018)
- Improve and expand TRS outreach and education materials (ongoing).